Yukon

Liquor Corporation

14th Annual Report

April 1, 1990 to March 31, 1991

92-05242/

The Honourable Margaret Joe
Minister Responsible for the
Yukon Liquor Corporation
Executive Council Office
Box 2703
Whitehorse, Yukon
Y1A 2C6

Dear Ms. Joe:

I have the honour to submit the Annual Report of the Yukon Liquor Corporation for the fiscal year ended March 31, 1991.

I respectfully request that this report be tabled at the next ensuing session of the Legislative Assembly, in accordance with Section 14 of the Liquor Act.

Respectfully submitted,

Margaret A Dunn

Margaret A. Dunn
Chairperson
Board of Directors

Margaret A. Dunn
Chairperson
Board of Directors
Yukon Liquor Corporation
9031 Quartz Road
Whitehorse, Yukon
Y1A 4P9

Dear Mrs. Dunn:

I have the honour to submit herewith the Fourteenth Annual Report of the Yukon Liquor Corporation for the fiscal year ending March 31, 1991, pursuant to Section 13 of the Liquor Act.

Respectfully submitted,

V. Hancock
President and
Chief Executive Officer

YUKON LIQUOR CORPORATION

FOURTEENTH ANNUAL REPORT

1991

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PRESIDENT AND CHIEF EXECUTIVE OFFICER'S MESSAGE

The Yukon Liquor Corporation continued to administer its mandate under the Liquor Act while making progressive changes in the areas of customer service and interaction with the industry.

In responding to changing consumer needs and market trends, the Corporation continued to focus on new programs of marketing and merchandising. In reaction to very positive customer response, in store sampling and other new marketing techniques were expanded during the fiscal year.

The 1990/91 fiscal year represented another year of financial stability with a marginal decrease in beverage alcohol consumption of 449 hectolitres, and a $0.2 million increase in sales over 1989/90. Further, net income increased by $.1 million and remittances to the Yukon Territorial General Revenue Fund totalled $8 million.

The Corporation wishes to express sincere appreciation to the members of the Board of Directors for their support and assistance. The Corporation also wishes to thank the officers and staff of the RCMP throughout the Territory for their efficient cooperation in enforcing the provisions of the Liquor Act.

Our dedicated and very experienced staff look forward to future challenges; improving operations while continuing to maintain a fine balance between providing revenue to the Territorial Government and maintaining high standards for customer service.

V. Hancock
President and
Chief Executive Officer

OPERATIONAL REVIEW

The Yukon Liquor Corporation (YLC) is a Yukon Territory crown corporation responsible for the administration of the Liquor Act and Regulations, and for the purchase and sale of all beverage alcohol products in the Territory.

YLC operates six (6) liquor stores which offer consumers an extensive and varied selection of over 800 product lines from countries around the world. During the year, the Whitehorse liquor store was relocated to newer and larger premises in order to better service its Whitehorse and area customers.

Throughout Yukon, 316 licences were issued by the YLC for the sale of spirits, wine, and beer. During 1990/91, a total of 505 Special Occasion and Reception Permits were issued.

The YLC was established in 1977. This year marks its 14th anniversary, conducting the dual duties of the control and sale of beverage alcohol and the licensing and inspection of premises licensed for the service and consumption of liquor.

The operational and administrative duties of the Corporation are conducted through its three branches; Finance and Administration, Stores and Warehousing, and Licensing and Inspections.

Finance and Administration

The Finance section provides for the financial control and reporting needs of the Yukon Liquor Corporation. As well, the section is responsible for the enhancement of current information systems and the development of any new systems as required. During the year, the Corporation completed an Information Systems Plan that provides the framework for future systems development and application activities.

The Administration section provides the Yukon Liquor Corporation with various essential support services. Responsibilities and services of this section include records management, contract administration, communications, receptionist functions, and other general support services to all branches of the Corporation.

The Human Resources section provides a support service function to all three branches on a territory-wide basis, ensuring the Yukon Liquor Corporation meets its human resource needs while complying with territorial government legislation and guidelines. In conjunction with the Public Service Commission, the human resources section meets its responsibility by providing for the selection, placement, salary administration, and career development of Corporation employees.

Stores and Warehousing

The Stores and Warehousing Branch provides service to the public and to licensees through:

- operation of the Corporation's network of six (6) retail stores;
- operation of the warehouse and distribution centre in Whitehorse;
- development and implementation of proposals for new or revised store locations and for basic store design to support customer service and merchandising activities;
- development and implementation of proposals for the improvement of facilities and services offered to customers;
- purchasing beverage alcohol products in response to evolving consumer demand; and
- placing special orders for unlisted products to suppliers around the world on behalf of licensees and individuals.

During 1990/91 progressive marketing and merchandising techniques continued to be developed. These techniques included shelf management, merchandise displays, and in-store tasting programs.

Licensing and Inspections

The Licensing and Inspections Branch is responsible for the licensing and inspection of facilities where liquor is served to members of the general public. On an annual basis, the branch issues licences and permits for a broad variety of facilities across the territory and employs inspectors who visit these facilities, liaising with operators to ensure all aspects of liquor legislation are observed.

New applicants for licences and permits are interviewed by members of the branch as part of the approval process. Close contacts are maintained with enforcement agencies such as police, fire and health inspection branches across the territory.

YUKON LIQUOR CORPORATION

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1990/91

COMPARATIVE STATEMENT OF SALES BY PRODUCT TYPE

($000's)

	1991	PERCENTAGE OF SALES	1990	PERCENTAGE OF SALES
SPIRITS				
Rye - Domestic	$ 1,928	11.2	$ 1,971	11.6
- Imported	61	.4	45	.3
Scotch - Domestic	25	.1	24	.2
- Imported	421	2.4	422	2.5
Rum - Domestic	1,107	6.4	1,106	6.5
- Imported	27	.2	25	.1
Gin/Vodka - Domestic	1,174	6.8	1,143	6.8
- Imported	225	1.3	250	1.5
Brandy - Domestic	27	.2	26	.2
- Imported	121	.7	104	.6
Liqueur - Domestic	414	2.4	409	2.4
- Imported	830	4.8	813	4.8
Total Spirits	$ 6,360	36.9	$ 6,338	37.5
WINE				
Domestic	$ 1,137	6.6	$ 1,166	6.9
Imported	1,284	7.5	1,162	6.9
Total Wine	$ 2,421	14.1	$ 2,328	13.8
BEER				
Domestic	$ 8,257	48.0	$ 8,062	47.6
Imported	167	1.0	201	1.1
Total Beer	$ 8,424	49.0	$ 8,263	48.7
TOTAL SALES	$17,205	100.0	$16,929	100.0

YUKON LIQUOR CORPORATION

FOURTEENTH ANNUAL REPORT

1990/91

SCHEDULE OF SPIRITS, WINE AND BEER SALES BY STORE

($000's)

	SPIRITS	WINE	BEER	1991	1990
WHITEHORSE	$ 2,410	$ 1,177	$ 1,461	$ 5,048	$ 4,951
DAWSON CITY	494	212	793	1,499	1,524
MAYO	141	57	170	368	418
WATSON LAKE	550	197	661	1,408	1,411
HAINES JUNCTION	152	51	315	518	509
FARO	438	122	620	1,180	1,173
LICENSED OUTLET	2,175	605	4,404	7,184	6,943
1991	$ 6,360	$ 2,421	$ 8,424	$17,205	
% OF SALES	36.9	14.1	49.0	100.0	
1990	$ 6,338	$ 2,328	$ 8,263		$16,929
% OF SALES	37.5	13.8	48.7		100.0

YUKON LIQUOR CORPORATION

FOURTEENTH ANNUAL REPORT

1990/91

SCHEDULE OF HECTOLITRES OF LIQUOR SOLD

	SPIRITS	WINE	BEER	1991	1990
WHITEHORSE	987	1,637	5,999	8,623	8,989
DAWSON CITY	201	303	3,477	3,981	4,072
MAYO	59	98	708	865	1,000
WATSON LAKE	223	292	2,834	3,349	3,404
HAINES JUNCTION	62	76	1,313	1,451	1,512
FARO	183	190	2,593	2,966	2,986
LICENSED OUTLET	890	761	18,886	20,537	20,258
TOTAL: 1991	2,605	3,357	35,810	41,772	
TOTAL: 1990	2,689	3,363	36,169		42,221
% Decrease	(3.1)%	(.2)%	(1.0)%	(1.1)%	

AUDITOR GENERAL OF CANADA VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Executive Council Member responsible for the
Yukon Liquor Corporation

I have audited the balance sheet of the Yukon Liquor Corporation as at March 31, 1991 and the statement of income for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1991 and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the Liquor Act, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith, and the transactions of the Corporation that have come to my notice during my examination of the financial statements have, in all significant respects, been in accordance with the Liquor Act and regulations, the Liquor Tax Act, the Yukon Financial Administration Act and regulations, and the by-laws of the Corporation.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 24, 1991

YUKON LIQUOR CORPORATION

Balance Sheet
as at March 31, 1991

ASSETS

	1991	1990
	(thousands of dollars)	
Current		
Cash	$ 2,177	$ 840
Accounts receivable	285	118
Inventories	2,316	2,354
Prepaid expenses	1	18
	4,779	3,330
Capital assets (Note 3)	129	-
	$ 4,908	$ 3,330

LIABILITIES AND EQUITY

Current		
Accounts payable	$ 3,641	$ 2,233
Deferred revenue	114	108
	3,755	2,341
Accrued employee termination benefits	324	289
Government of the Yukon working capital advance	700	700
	4,779	3,330
Equity (Note 4)	129	-
	$ 4,908	$ 3,330

Approved by the Board:

Margaret A. Lunn
Chairperson

Member

YUKON LIQUOR CORPORATION

Statement of Income
for the year ended March 31, 1991

	1991	1990
	(thousands of dollars)	
Sales	$ 17,205	$ 16,929
Cost of goods sold	8,095	8,307
Gross profit	9,110	8,622
Expenses		
Salaries and employee benefits	2,471	2,150
Rentals, utilities and maintenance	504	467
Cartage	157	157
Travel and communication	84	102
Professional services	64	16
General and office supplies	58	75
Recycling centre contribution	20	-
Board honoraria and expenses	13	11
Amortization	4	-
Miscellaneous	8	2
	3,383	2,980
Operating income	5,727	5,642
Other income		
Fees, permits and licences	66	70
Bank interest	43	26
Miscellaneous	188	188
	297	284
Net income for the year, transferred to the Government of the Yukon	$ 6,024	$ 5,926

YUKON LIQUOR CORPORATION

Notes to Financial Statements
March 31, 1991

1. Authority and operations

The Corporation, established under the Liquor Act, is responsible for the purchase, distribution and sale of liquor within the Territory. It is also responsible for controlling the sale of liquor through licensed outlets and enforcing all matters related to the Act.

The Corporation is provided with an interest-free working capital advance by the Government of the Yukon. In accordance with the Act, the net income for the year is transferred to the Government of the Yukon.

2. Accounting policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. The more significant accounting policies are as follows:

Inventories

Inventories are valued at landed cost at Whitehorse.

Capital assets

Prior to 1991, capital assets were financed by the Government of the Yukon under a capital vote within the Capital Estimates of the Government. While the custody of the assets is with the Corporation, these assets are owned by the Government of the Yukon. Capital assets purchased by the Corporation after March 31, 1990 are recorded at cost less accumulated amortization.

Amortization

Amortization of capital assets owned by the Corporation is calculated by the straight-line method over the estimated useful life of the assets.

Pensions

The Corporation and its employees, who are deemed to be employees of the Government of the Yukon, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Corporation. These contributions represent the total liability of the Corporation and are recognized in the accounts on a current basis.

Employee termination benefits

The Corporation accrues in its accounts, annually, the estimated liabilities for severance pay, annual and sick leave, which are payable to its employees on termination.

3. Capital assets

a) The cost to the Government of the Yukon of capital assets held by the Corporation at March 31 is as follows:

	1991	1990
	(thousands of dollars)	
Liquor store buildings	$ 978	$ 978
Store and warehouse improvements	1,167	1,167
Equipment	447	447
Furniture and office equipment	122	123
	$ 2,714	$ 2,715

b) Capital assets purchased by the Corporation after March 31, 1990 are as follows:

	Cost	Accumulated amortization	Net book value	1990
		(thousands of dollars)		
Furniture and office equipment	$ 7	$ 1	$ 6	$ -
Buildings	84	-	84	-
Equipment	42	3	39	-
	$ 133	$ 4	$ 129	$ -

4. Equity

This amount represents the total of capital assets purchased by the Corporation less related amortization. The balance of net income due to the Government of the Yukon has been reduced by this amount.

5. Accommodation and services provided without charge

These financial statements do not reflect the cost of accommodation and other services provided without charge by the Government of the Yukon, or the value of services provided without charge to the Government by the Corporation in its capacity as Territorial Agent in localities outside Whitehorse. The value of services provided by the Government to the Corporation is estimated at $612,000 (1990 - $598,000). The value of services provided by the Corporation to the Government is estimated at $257,000 (1990 - $233,000).

6. Collection of liquor taxes

The Corporation transferred to the Government of the Yukon liquor taxes of $2,071,000 (1990 - $2,031,000) collected during the year under the Liquor Tax Act.

7. Related party transactions

In addition to the related party transactions disclosed in Notes 3 to 6 inclusive, accounts payable at March 31, 1991 include $2,371,000 due to the Government of the Yukon (1989- $1,594,000).

8. Lease commitments

The Corporation has the following commitments for annual rentals of leased premises:

1992	$ 335,000
1993	250,000
1994	250,000
1995	250,000
1996	250,000
1997-2001	1,250,000

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1990/91

LIQUOR LICENCES ISSUED

	1991	1990
Liquor Cocktail Lounge	62	63
Beer Tavern	1	1
Dining Room	55	54
Restaurant Beer and Wine	40	39
Liquor Off Premises	71	70
Beer Off Premises	23	24
Club Liquor	13	13
Beer Canteen	1	1
Special Liquor	17	17
Aircraft/Ship Liquor	5	4
Room Service Liquor	20	20
Mess Liquor	3	3
Sport Stadium	1	1
Recreation Facility	4	3
TOTAL	316	313

PERMITS ISSUED

Reception Permits	173	184
Special Occasion Permits	332	295
Wine Making	0	0
TOTAL	505	481

SUMMARY OF PERMITS ISSUED BY LOCATION DURING 1991

	RECEPTION	SPECIAL OCCASION	WINE MAKING
Whitehorse Office	126	197	-
Faro Store	7	62	-
Mayo Store	1	10	-
Watson Lake Store	4	21	-
Haines Junction Store	2	14	-
Dawson City Store	33	28	-
TOTAL	173	332	-

SUSPENSION OF LICENCE PRIVILEGES

During the 1990/91 fiscal year, five (5) liquor licences were suspended and four (4) letters of warning were issued. Service to intoxicated persons, service to minors, allowing intoxicated persons to remain on the premises, and unacceptable advertising were the most common infractions.